



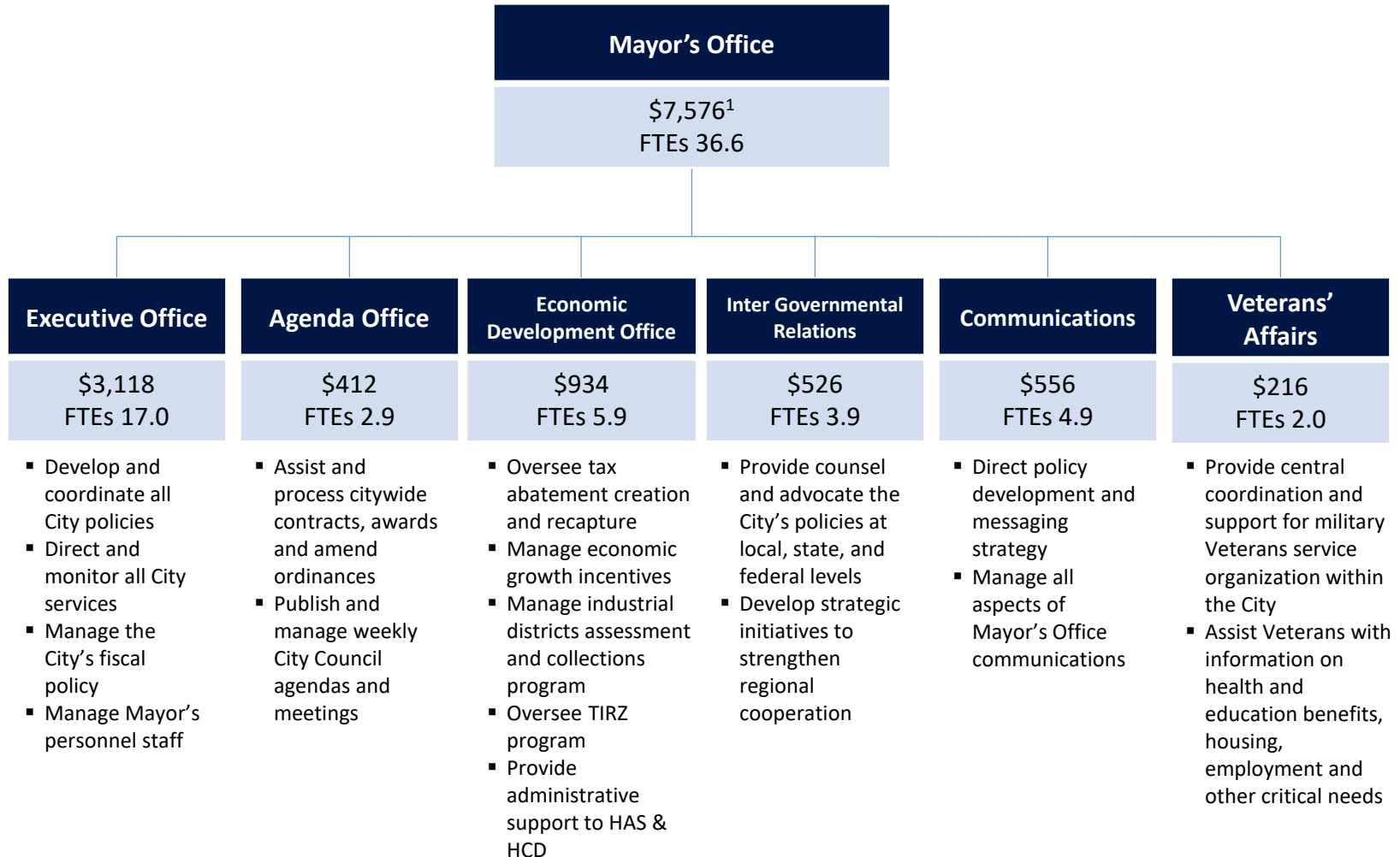
Mayor's Office

FY2022 Proposed Budget Presentation

May 17, 2021

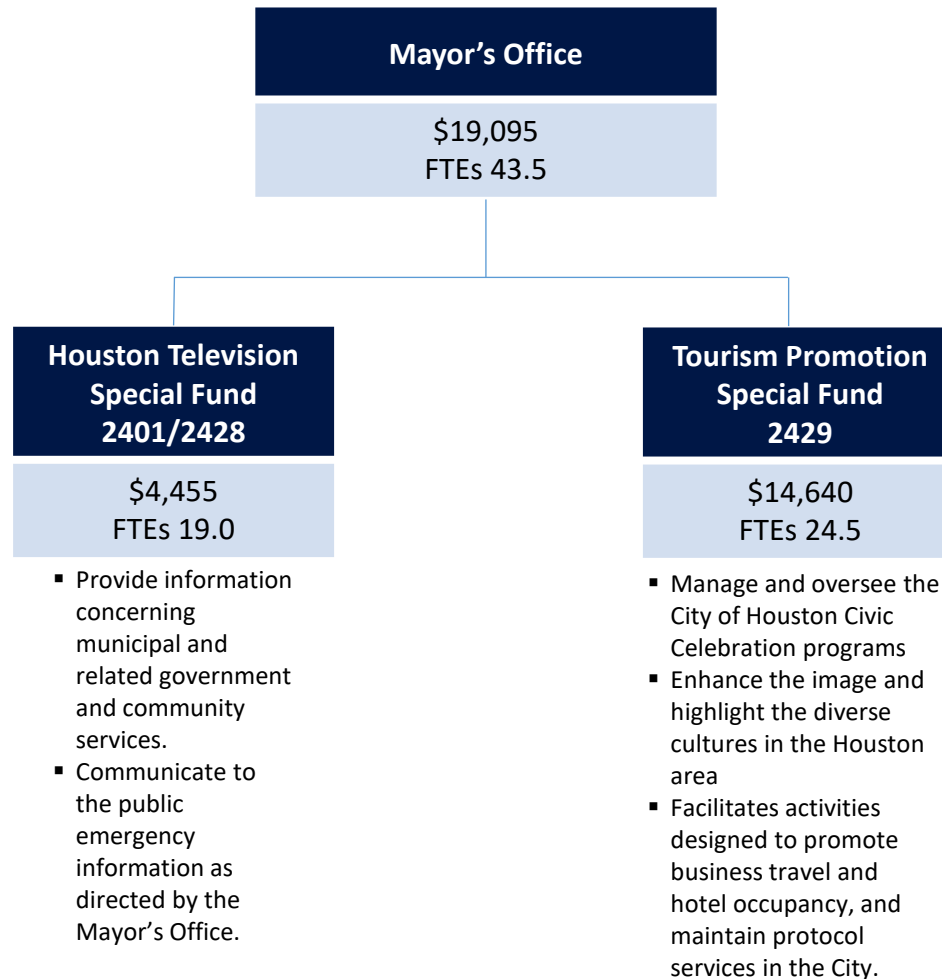
Functional Org Chart - General Fund

(\$ in thousands)



¹ Includes funding for the Mayor's Office of Special Events transfer of \$1,814K.

Functional Org Chart - Special Revenue Funds (\$ in thousands)





Mayor's Office Programming

Major Services Provided by the Mayor's Office:

❑ Education Office

- Statutory Requirement: None; Constituent Need and Benefit
- Penalty for Failure to Comply: There is no penalty for non-compliance. However, failure to provide education services impacts the quality of life for Houstonians.
- Impact of Service Delivery: Financial impact is at least 14.2 million aggregated via public and philanthropic grants and support for resources towards the education of Houston's children, youth, and young adults. The societal impact is greater access to resources and support for children, youth, and families of Houston. Provides year-round jobs for youth, college and career counseling, access to equitable societal services, and education opportunities.
- Anticipated Growth: Houston is expected to grow, with the pandemic having an adverse impact on Houstonians. The America Rescue Plan has significant investments in education and workforce development. This will increase the demand for education services and the need for public-private sector collaboration and funding.

❑ Boards & Commissions

- Statutory Requirement: Municipal requirement; multiple boards & commissions are created and/or listed for oversight in the City of Houston Code of Ordinances
- Penalty for Failure to Comply: There is no penalty for non-compliance. However, failure to provide a boards & commissions office will impact the oversight, reporting, and schedule of appointments to boards.
- Impact of Service Delivery: The societal impact is the communication for initiatives, progress, needs, and potential problems for approximately 160 active boards & commissions, 1400 mayoral appointees, and more than 1700 total positions.
- Anticipated Growth: Dependent on current events, new boards, commissions, or task forces will be created to adequately represent Houston. Two new creations this year under Mayor Turner are the Mayor's Task Force for Police and Reform and Women's Commission.

❑ Constituent Services

- Statutory Requirement: None; Constituent Need and Benefit
- Penalty for Failure to Comply: There is no penalty for non-compliance. However, failure to provide constituent services impacts the quality of life for Houstonians.
- Impact of Service Delivery: Societal impact necessitates the need for response and assistance to approximately 900 pieces of correspondence per month from Houston constituents.
- Anticipated Growth: Last year, an average of 1,716 pieces of correspondence per month was serviced. The demand for services is steadily increasing at an approximate rate of 15% per year.



Mayor's Office Programming

(cont'd)

Major Services Provided by the Mayor's Office (continued):

❑ Agenda Office

- Statutory Requirement: State and Municipal requirement; originates from the Texas Open Meetings Act
- Penalty for Failure to Comply: Fine of \$100-\$500, confinement to county jail for 1-6 months, both fine and confinement, a Class B misdemeanor charge, or a Class C misdemeanor charge.
- Impact of Service Delivery: Societal impact necessitates the need to inform and notify the public of upcoming governmental meetings at least 72 hours in advance. Transparency and open government.
- Anticipated Growth: Including regularly scheduled council sessions, growth depends on special sessions and the number of agenda items to be discussed.

❑ Economic Development

- Statutory Requirement: State and Municipal requirement; originates from legislatively created economic incentive programs (i.e. TIRZs, Tax Abatement Zones, Industrial Districts, Enterprise Zones, HSTEs & Chapter 380 Programs).
- Penalty for Failure to Comply: There is no legislative program penalty for non-compliance. However, failure to comply with agreement terms will result in reduced incentive benefits to the business or cancellation of the incentive program. Additionally, failure to effectively manage economic development incentive programs could impede or discourage business growth and expansion or impact the quality of the life for Houstonians.
- Impact of Service Delivery: Financial impact is at least \$26.8M in revenue billings for industrial District Assessments/Foreign Trade Zones alone for FY21. Societal impact is the increase in the job opportunities as businesses expand and the increase in the city's tax base.
- Anticipated Growth: As the population in City of Houston grows, the demand for economic development initiatives to attract businesses to Houston, especially with newly created Opportunity Zones, will increase also.

❑ Special Events

- Statutory Requirement: Municipal requirement; created in Chapter 25 of the City of Houston Code of Ordinances
- Penalty for Failure to Comply: There is no penalty for non-compliance. However, failure to manage the production and permitting of over 2,000 public events or civic celebrations per year impacts the quality of life for Houstonians, as well as revenue to the City.
- Impact of Service Delivery: Societal impact increases Houston's visibility and promotes the positive interaction of communities for civic celebrations attended by over 8 million people per year. Financial impact is approximately \$38K in annual revenue for the Mayor's Office, MOSE ensures that event procedures also obtain necessary permits and pay required fees to numerous departments including Parks, Public Works, Health, Fire, Police and ARA.
- Anticipated Growth: MOSE has been and will continue to provide leadership to bring back the Houston Events industry. We will continue to be the conduit between the City's Emergency Medical Service and event producers city-wide. MOSE efforts are resulting in planned, measured reopening of sports franchises, Houston First facilities, arts organizations and private venues. This role will increase as more public events are reopened to meet the demand for positive community engagements through special events and city-wide management of such.



Mayor's Office Programming

(cont'd)

Major Services Provided by the Mayor's Office (continued):

❑ **Inter-Governmental Relations**

- Statutory Requirement: None; Municipal Need and Benefit
- Penalty for Failure to Comply: There is no penalty for non-compliance. However, failure to have a City government liaison at the state and federal level impacts the quality of life for Houstonians, as well as potential funding to the City.
- Impact of Service Delivery: Financial impact includes appropriations of over \$600 million from the American Rescue Plan. Societal impact includes greater federal and state support, passing legislation that benefits Houstonians, and defeating legislation that threatens the revenue or service provision of city departments.
- Anticipated Growth: It is not anticipated the Government Relations team would have growth in staff, given it has remained consistent throughout Mayor Turner's Administration.

❑ **Cultural Affairs**

- Statutory Requirement: None; Municipal Need and Benefit
- Penalty for Failure to Comply: There is no penalty for non-compliance. However, failure to provide cultural services for a diverse population of over 2.2 million Houstonians impacts the quality of life.
- Impact of Service Delivery: The societal impact connects communities and the over 22 million annual visitors to the 35,000 + working artists in Houston. This improves the quality of life for all Houstonians through art engagement within neighborhoods, facilities, and homes with expanding virtual services during the global pandemic.
- Anticipated Growth: As Houston continues to grow and the demonstrated benefits of arts and cultural are realized demand for access to these programs will continue to grow as well.

❑ **Veterans Affairs**

- Statutory Requirement: None; Constituent Need and Benefit
- Penalty for Failure to Comply: There is no penalty for non-compliance. However, failure to provide veteran services impacts the quality of life for over 300,000 veterans living in Houston – the 2nd largest veteran population in the nation.
- Impact of Service Delivery: The societal impact allows the veterans and military affairs office to connect with Active Duty, Guards/Reserves, veterans/their dependents, the larger Military Affiliation Community (spouse/caregiver/dependent children) and to coordinate/facilitate access to resources through Federal, State and local initiatives/programs.
- Anticipated Growth: As more active service men and women transition to civilian life; Houston's veteran population is expected to increase. At the same time, due to aging of the current veterans, the office will need to continue guiding veterans as they become eligible to apply for funds, healthcare, and other benefits.



Mayor's Office Programming

(cont'd)

Major Services Provided by the Mayor's Office (continued):

☐ **Communications Office**

- Statutory Requirement: State and Municipal requirement; partial duties required by the Texas Public Information Act (TPIAs); Constituent Need and Benefit
- Penalty for Failure to Comply: Penalty for not fulfilling a TPIA request can result in a misdemeanor punishable by confinement in a county jail for 3 days-3 months, a fine of \$25-\$4,000, or both confinement and the fine. Failure to communicate effectively to the public can impact safety and welfare and result in a lowered quality of life for Houstonians.
- Impact of Service Delivery: Societal impact includes the transparency of government to the citizens of Houston. Responsiveness to citizen's request for over 170 TPIAs/ year and over 270 ceremonial documents requests per month or 3,240/year.
- Anticipated Growth: The number of TPIAs and Ceremonial documents requests are expected to continue increasing, while processing times for CDs will decrease due to recent staff reduction.

☐ **Trade & International Affairs**

- Statutory Requirement: None; Municipal Benefit and Need
- Penalty for Failure to Comply: There is no penalty for non-compliance. However, failure to facilitate international trade impacts local business growth and expansion and affects the ability to market Houston as an International City.
- Impact of Service Delivery: Increased trade supports the economic viability of Houston and increases Houston's profile as a global trade and commerce hub. The office works to attract foreign investment and assist Houston businesses seeking markets abroad.
- Anticipated Growth: As the population in City of Houston grows, demand for global economic development will increase also.

☐ **Houston Television**

- Statutory Requirement: Municipal requirement; created in Chapter 37 of the City of Houston Code of Ordinances
- Penalty for Failure to Comply: There is no penalty for non-compliance. However, failure to communicate to the public relevant information on municipal and government related matters will impact the citizen's ability to be informed and affect Houstonian's quality of life.
- Impact of Service Delivery: Societal impact includes transparency of government and an informed public via council meetings, committees, CIP meetings, townhalls, etc.
- Anticipated Growth: As franchise fees continue to decrease, the HTV services will need to decrease. Or alternative funding sources will have to be considered.

Revenues By Funds

(\$ in thousands)



Fund	FY20 Actual	FY21 Budget	FY21 Estimate	FY22 Proposed	Variance FY22 Prop/FY21 Estimate	% Change
General Fund	\$26,001	\$30,414	\$22,890	\$23,081	\$191	0.83%
Houston Television Special Revenue Fund	\$4,757	\$4,832	\$4,445	\$4,543	\$98	2.20%
Tourism Promotion Special Revenue Fund	\$19,444	\$15,491	\$9,616	\$14,370	\$4,754	49.44%
Total	\$50,202	\$50,737	\$36,951	\$41,994	\$5,043	13.65%



FY2022 Revenue Highlights

General Fund:

- ❑ **Industrial District Assessment** budget is \$26K higher than the FY2021 estimated budget primarily due to the increase in contract values. Contract values for FY2022 are expected to increase by 5.1 million with a tax rate of 0.56 per \$100 of valuation.
- ❑ Revenue for the new **Digital Kiosks** is projected at \$165K. Revenue is expected to commence in Q4 of FY2022 with anticipated growth in outyears.

Houston Television:

- ❑ **PEG Contributions – State Franchises** budget is \$114K lower than the FY2021 estimated budget due to the decline of cable franchise fees.
- ❑ **Transfer from Special Revenue Fund** budget is \$239K higher than the FY2021 estimated budget due to chargebacks to departments and funds for services provided by HTV.

Tourism Promotion:

- ❑ **Contributions From Others** budget is \$4.9 million higher than the FY2021 estimated budget as the revenue received from Houston First is based on 19.3% of the total Hotel Occupancy Tax (HOT) gross receipts. The FY2021 HOT receipts were significantly impacted by COVID-19 which effected the hotel industry. FY2022 budget projects a gradual return to the pre-COVID-19 activity.

Expenditures By Funds (\$ in thousands)

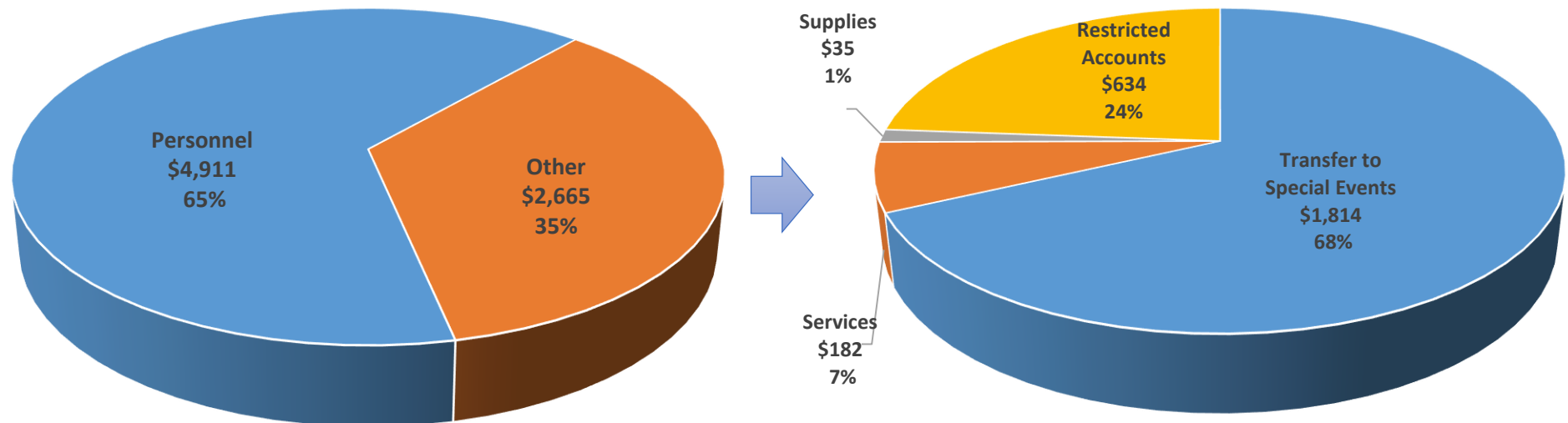


Fund	FY20 Actual	FY21 Budget	FY21 Estimate	FY22 Proposed	Variance FY22 Prop/FY21 Budget	% Change
General Fund	\$7,439	\$7,509	\$7,509	\$7,576	\$67	0.89%
Houston Television Special Revenue Fund	\$3,984	\$5,073	\$4,159	\$4,455	(\$618)	-12.18%
Tourism Promotion Special Revenue Fund	\$18,308	\$13,145	\$9,863	\$14,640	\$1,495	11.37%
Total	\$29,731	\$25,727	\$21,531	\$26,671	\$944	3.67%

FY2022 Personnel vs Non-Personnel General Fund (\$ in thousands)



FY2022 Proposed Budget \$7,576

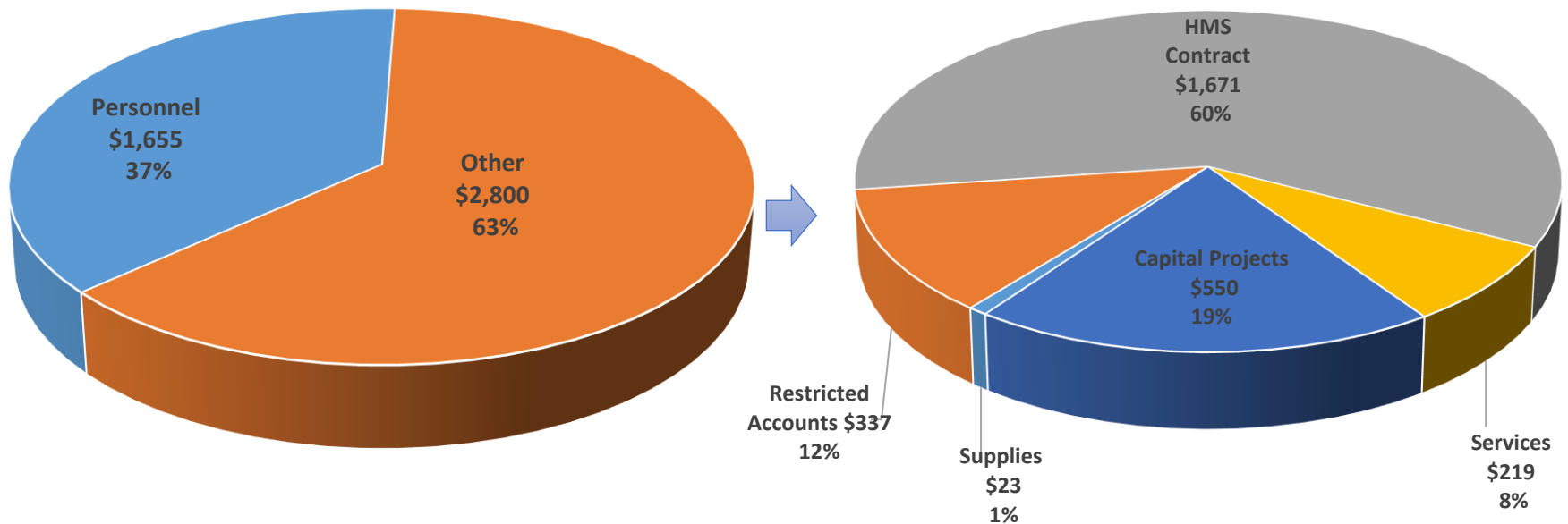


FY2022 Personnel vs Non-Personnel Houston Television Special Revenue Fund

(\$ in thousands)



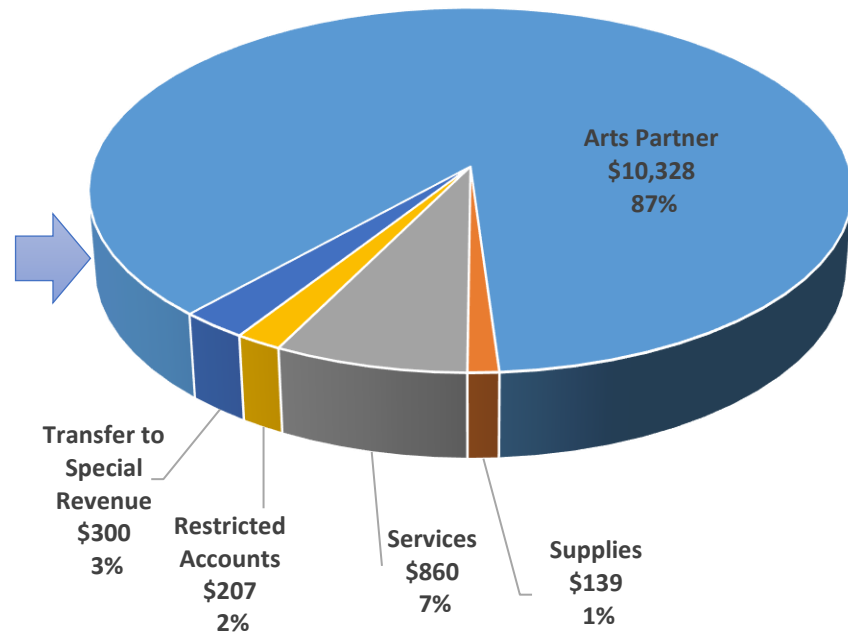
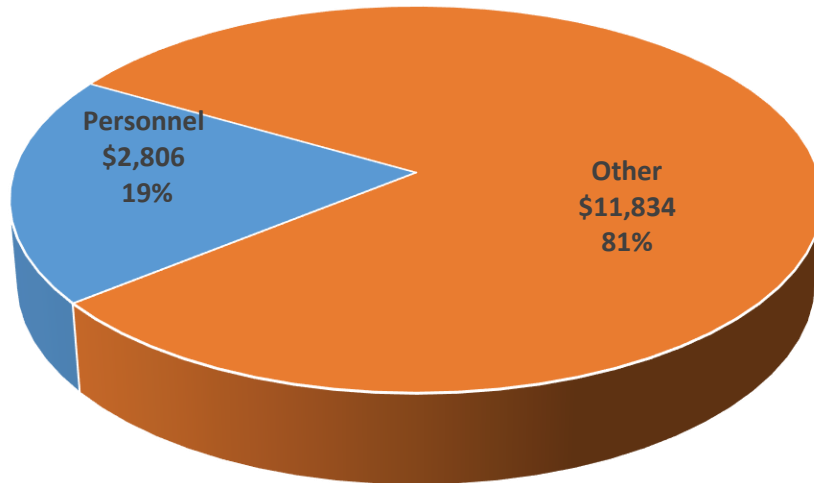
FY2022 Proposed Budget \$4,455



FY2022 Personnel vs Non-Personnel Tourism Promotion Special Revenue Fund (\$ in thousands)



FY2022 Proposed Budget \$14,640



FY2022 General Fund Expenditures

Net Change (\$ in thousands)



FY2022 General Fund Budget Expenditures Net Change to FY2021 Current Budget			
FY2021 Current Budget			Notes
Operating Budget	\$	7,102	
Restricted Budget	\$	471	1
One-time Adjustments			
Temperature Screening Redeployment	\$	(93)	2
Health Benefits Return	\$	(14)	3
City Council Surplus	\$	42	4
One-time Adjustments	\$	(65)	
FY2021 Current Budget less One-time Adjustments	\$	7,509	
Explanation of FY2022 Incremental Increase/(Decrease)			
Operating Budget Adjustments			
Budget reduction initiatives	\$	(213)	
Subtotal Operating Budget Adjustments	\$	(213)	
One-time Adjustments			
Temperature Screening Redeployment	\$	93	2
Health Benefits Return	\$	14	3
City Council Surplus	\$	(42)	4
One-time Adjustments	\$	65	
Total Operating Budget Changes	\$	(148)	
% Change from FY21 Operating Budget (excluding one-time adj)		(3.0%)	
Contractual or Mandated Adjustments:			
Health Benefits Active Civilian	\$	21	
Long Term Disability	\$	1	
Municipal Pension	\$	92	
Restricted Accounts	\$	102	1
Subtotal Contractual/Mandated Increases	\$	216	
FY2022 Proposed Budget			
Operating and Contractual Adjustments	\$	-	
FY2022 Proposed Budget	\$	7,576	
% Change from FY2021 Current Budget Excluding One-time Adj		0.0%	
% Change from FY2021 Current Budget		0.9%	
Notes:			
1. Restricted Budget includes service chargeback accounts for items such as fuel, electricity, IT accounts, etc.			
2. One-time adjustment for redeployment costs covered by the CRF Fund in FY2021			
3. Includes one-time adjustment for Health Benefits Return			
4. One-time adjustment for City Council Surplus funding in FY2021			



FY2022 - Expenditures Highlights

General Fund:

❑ **Approved FY2022 Budget Reduction - \$213K**

Approved reduction includes the elimination of funding for 1.0 FTE and a reduction in the transfer to Tourism Promotion Fund primarily due to lower equipment rentals for planned events as services return to pre-COVID levels.

Houston Television:

❑ **Supplies and Services Increase - \$220K**

The increase is primarily due to capital improvements in City Hall chambers and control room, projection for communications equipment, and restricted accounts.

Tourism Promotion:

❑ **Misc Support Services Increase – \$4.5M**

The increase represents the City's contractual obligation for payment to our arts partner of a portion of the City's Hotel Occupancy Tax (HOT) gross receipts. The FY2021 HOT receipts were significantly impacted by COVID-19 which effected the hotel industry. FY2022 budget projects a gradual return to the pre-COVID-19 activity.

FY2022 - Expenditures Highlights General Fund



□ Mayor's Office FY2022 General Fund Budget includes

- (\$212,733) Approved Budget Reduction
 - \$50,569 Net one-time adjustments from FY2021
 - \$127,427 Other personnel benefits (health insurance and pension)
 - \$101,822 Restricted Accounts total net change
- = \$67,085 Total variance from FY2021 Budget

FY2022 – General Fund Expenditures Budget Highlights



❑ **Approved Budget Reduction – (\$212,733)**

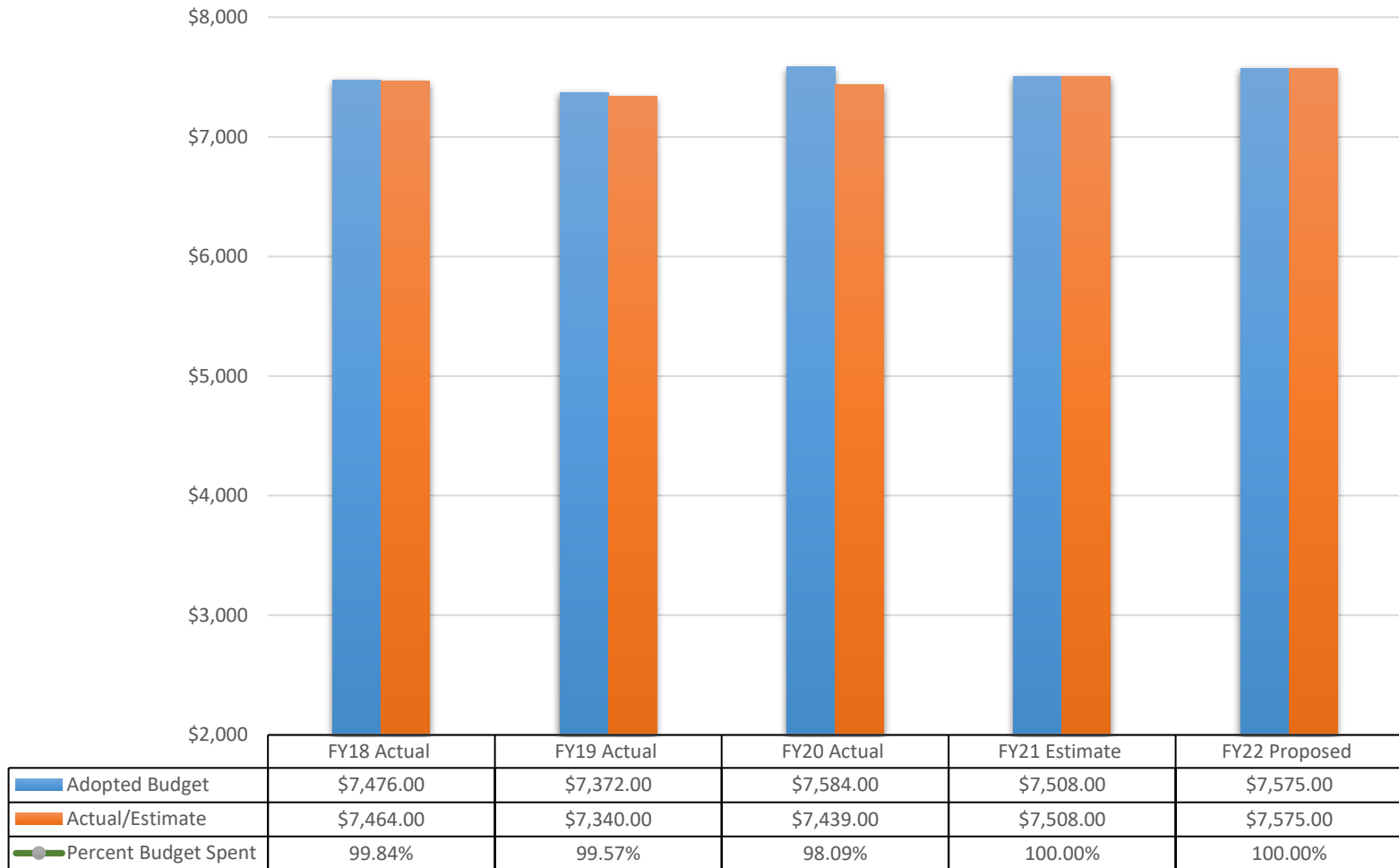
- Eliminated 1 vacant position (Administrative Aide) for a savings of \$48,401
- Reduced temporary personnel services budget by \$22,388
- Reduced computer supplies budget \$5,000
- Reduced travel non-training budget \$15,000
- Reduced transfer to Tourism Fund by \$121,944

❑ **Impact of FY2022 Budget Reductions**

- Delimiting of the Administrative Aide position will increase response time to citizens' requests in the Mayor's Correspondence Office.
- Reducing travel budget will result in limited travel and more virtual meetings.
- Reduction of transfer to Tourism Promotion Fund is primarily the result of equipment rental reductions due to less planned events as the City returns to the pre-COVID activity.

Budget History – General Fund

(\$ in thousands)





Mayor's Office Budget Reductions

(\$in thousands)

Fund	FY20	FY21	FY22	3-Year Total
General Fund	\$235,601	\$50,761	\$212,733	\$499,095
# of FTEs	4.0	1.0	1.0	6.0

- ❑ **Total General Fund budget cuts FY2020-FY2022: \$499,095**
- ❑ **Total FTE reductions:** 6.0 total FTEs reduced and positions eliminated between FY2020 and FY2022; 14.1% decrease in General Fund FTEs
- ❑ **Impact of FY2020-FY2022 Reductions:**
 - ❑ Impact customer service response time
 - ❑ Impact the response time on processing applications for event permits
 - ❑ Increase in employee workload due to not backfilling



Questions



Appendix



Restricted Account Details

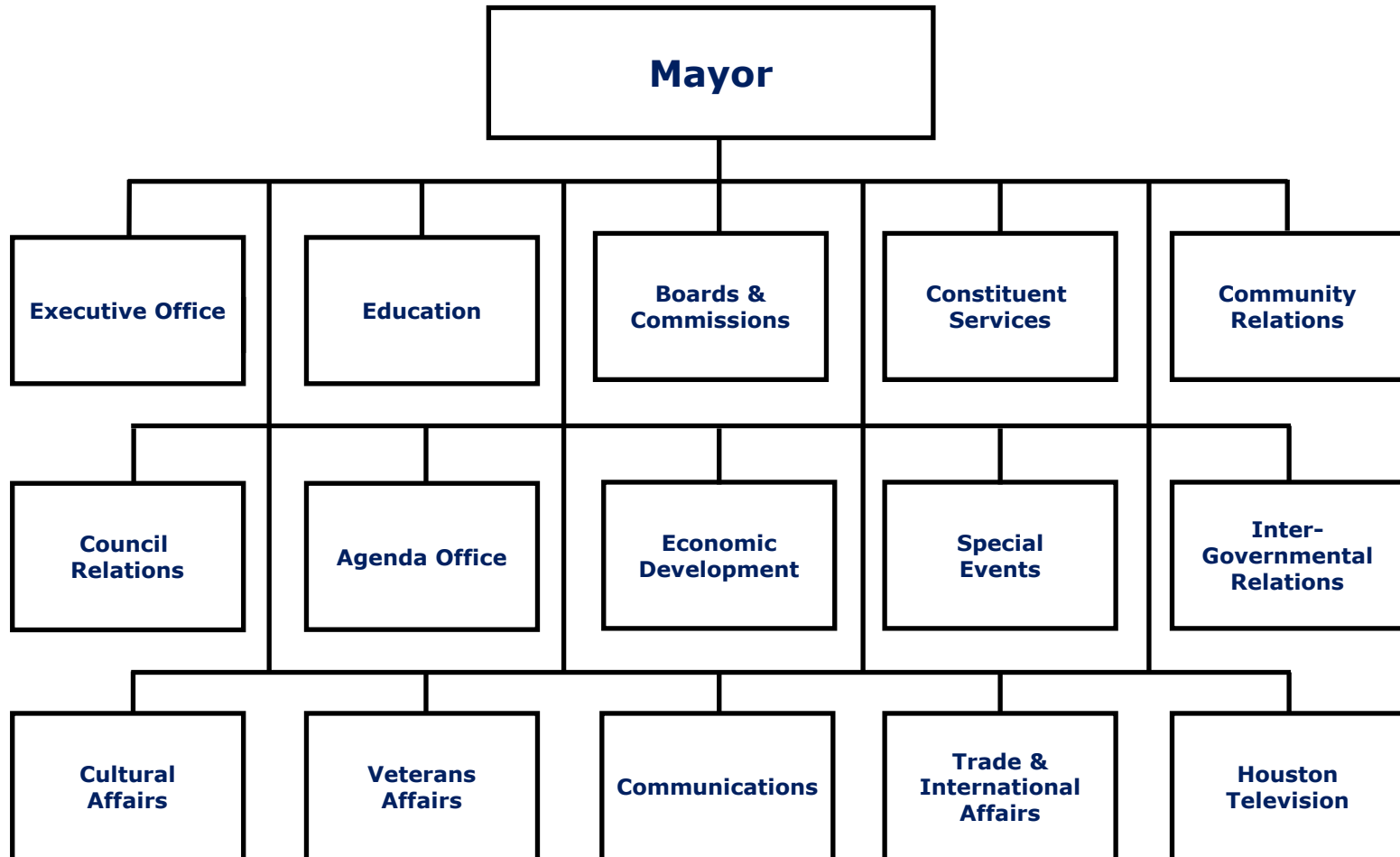
GL Description	Justification & Cost Drivers
Fuel	Fuel Program operates and manages all City owned fuel sites. Expense explanation - Fuel services are driven primarily by market pricing
Application Services	Costs include Microsoft Enterprise licenses, 3-1-1 maintenance support and applications, SAP licenses maintenance and support, various Enterprise Application and Server support personnel, CSMART (MCD Only), eSignature, Project Management, Infor, eDiscovery, Cyber Security Office software and support, HITS Budget support via the Finance Department, eSignature
Insurance Fees	Cost increase for property insurance premium.
Electricity	Responsible for administering the electricity accounts for the City. Program is responsible for overseeing procurement contracts, forecasting, providing price certainty, and financial reporting. Electricity expenses are projected to be lower than the previous year as a function of the competitive bidding process.
Natural Gas	Responsible for administering the natural gas accounts for the City. Program is responsible for overseeing procurement contracts, forecasting, providing price certainty, and financial reporting. Natural gas expenses are projected to be lower than the previous year due to current market conditions and locking in a rate favorable to the City.
Data Services	Costs associated with software and maintenance support contracts required to maintain city networks, applications, desktop devices, servers, payment card industry security, storage devices, cloud services, telephone systems and network equipment including Phonoscope circuits. Contracts cover Antivirus, Firewall and Network backup systems. Also, the Data Center costs are included in the Data Services restricted account.

Restricted Account Details (continued)



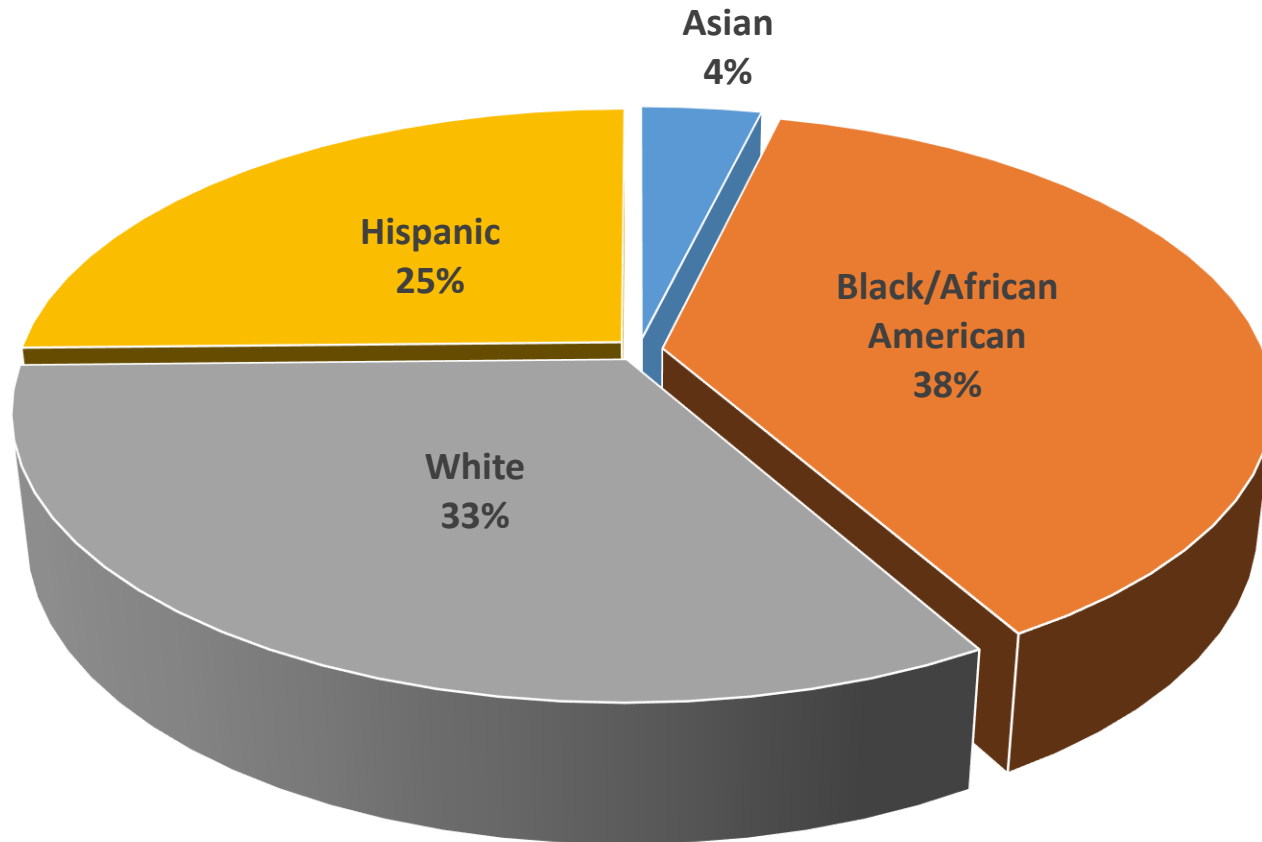
GL Description	Justification & Cost Drivers
Voice Services	Monthly costs for Voice/Communication Services. The services include: Local landlines, voice/data circuits, long distance, 1-800 numbers, calling cards, language lines, Citywide ISP/Internet Access. The major vendors are ATT, Department of Information Resources (DIR), Verizon and Century Link.
Voice Labor	Labor costs and parts needed to perform work associated with installation and/or upgrades of telephone systems and cabling. The sole vendor is Selrico.
GIS Revolving Fund Services	Personnel, software licenses and maintenance costs associated with the city of Houston's Enterprise Geographic Information System (EGIS)
Voice Services - Wireless	Monthly charges for Verizon Business services and mobile devices including cell phones, air cards and tablets.
Interfund HR Client Services	Include HR operation cost reflecting health benefits and restricted accounts increase.
KRONOS Service Chargeback	Software license and maintenance costs associated with the city of Houston's Time and Attendance System (KRONOS)
Drainage Fee Service Chargeback	Fee is based on impervious service.
Interfund Permit Center Rent Chargeback	The cost include the HPC Point of Sale cost increase for credit card merchant fee, and lease cost increase.
Interfund Vehicle Services	Provides repair, maintenance, and administrative support for all city departments' rolling stock equipment. Expense explanation - Vehicle Services are projected to increase driven by part cost, contractual increases, and an aging vehicle population.
Interfund Radio System Access	Due to the consolidation of the radio group in General Fund to revolving fund for HITS. This group is responsible for the operation and maintenance of the City's public safety radio system.

Organizational Chart



Mayor's Office Demographics

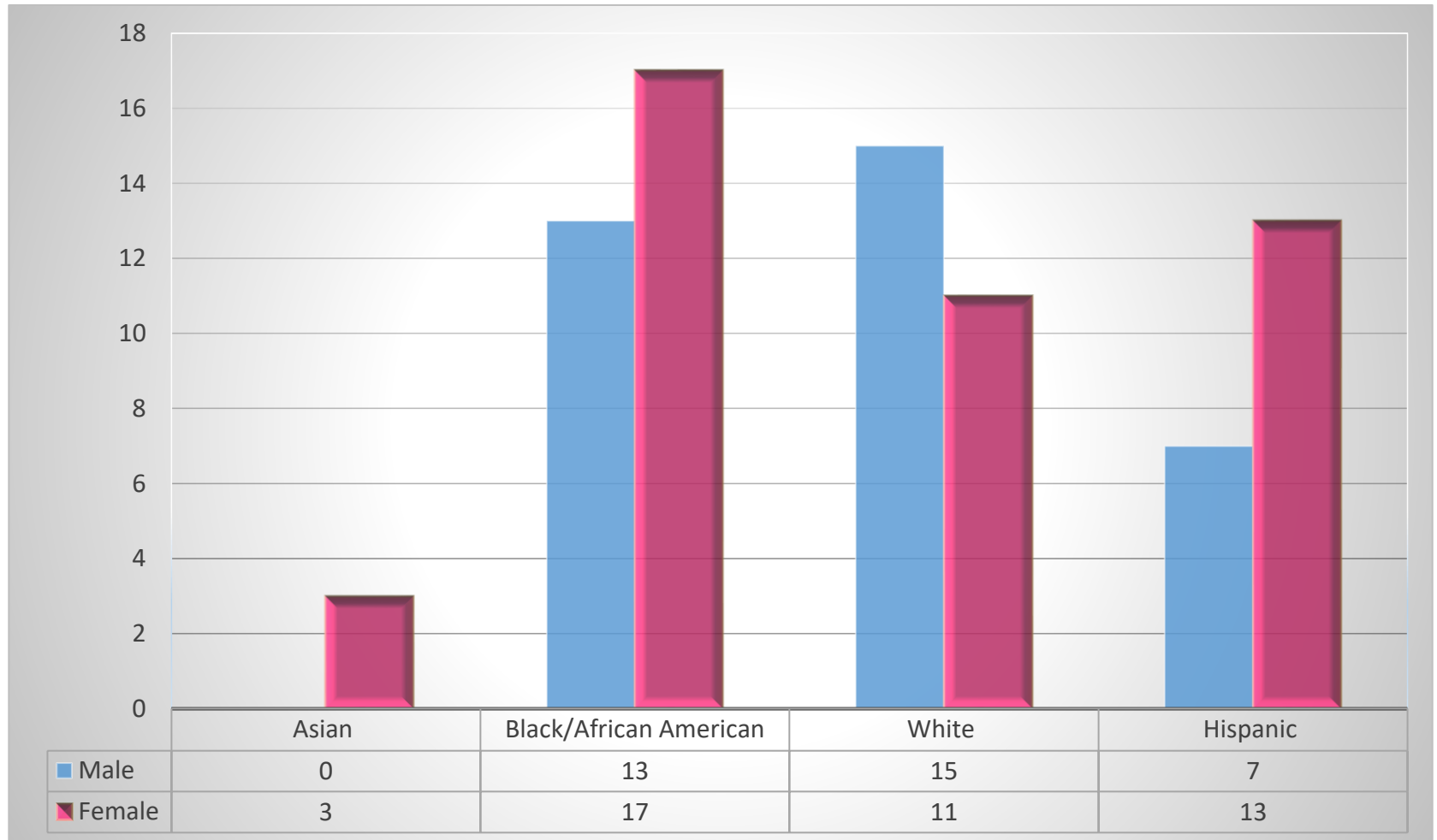
(As of May 1, 2021)



Total Employees = 79
General Fund = 38 | Other Funds = 41



Race & Gender Distribution





Resilience and Climate Action

High-priority Initiatives or Projects	Resilient Houston Goals/Target/Actions	Climate Action Plan Goal/Target/Action
Staff support for furthering resilience and climate priority policies with the state and federal government	Target 18 / Goal 18 / Action 58 and Action 60	Energy Transition, Goal 1, E1.3
Staff support for Hire Houston Youth, child friendly cities, cities connecting children with nature, mental and behavioral training for young people	Target 2 / Goal 2 / Action 7 Target 2 / Goal 3 / Action 10 and Action 11 Target 2 / Goal 6 / Action 18	Energy Transition, Goal 2, E2.3
Staff support for economic resilience and investing in the region's different economies	Target 14 / Goal 6 / Action 19 Target 14 / Goal 14 / Action 45 and Action 46	Energy Transition, Goal 2, E2.1 Transportation, Goal 1, T1.1, Goal 2, T2.2 Building Optimization, Goal 2, B2.2
Staff support for investing in arts and culture to strengthen community resilience	Target 5 / Goal 5 / Action 14 and Action 15	N/A

For more information, visit:

Resilient Houston: <http://www.houstontx.gov/mayor/Resilient-Houston-20200518-single-page.pdf>

Climate Action Plan: <http://www.greenhoustontx.gov/climateactionplan/CAP-April2020.pdf>

Mayor's Office FY2021 Accomplishments



- ❑ Successfully advocated for \$404 million in direct allocation of federal funding to the City of Houston thru the CARES Act
- ❑ Launched the Mayor's Health Equity Response (H.E.R.) Initiative and Task Force focused on providing support and resources to vulnerable communities impacted by COVID-19, including distributing more than 2 million masks, providing over 200,000 meals, rental assistance to 16,000 residents and expanding connectivity and publicly accessible WIFI
- ❑ Developed a curriculum to train over 100 young people to become Community Health Education Fellows (CHEFS)
- ❑ Obtained PPE Donations from Global Community including the donation of more than 758,000 protective masks, and tens of thousands of gloves, face shields and surgical gowns
- ❑ Permanently housed a record 3,000 individuals experiencing homelessness, through the City & County's COVID-19 Homeless Housing Program
- ❑ Established a COVID Homeless Medical Quarantine/Isolation Center that served more than 450 individuals, conducted 4,700 tests; and offered over 1,300 vaccines to individuals experiencing homelessness
- ❑ Developed and Released the City of Houston's first Climate Action Plan and Resilient Houston Plan
- ❑ Finalized adoption and secured council approval for the Phase 2 Complete Communities Action Plans, for a total of 10 community plan
- ❑ Solicited and received \$6.8 million in private grant funding for Complete Communities projects and programs
- ❑ Finalized Lease agreements for the Bethune Empowerment Center and the Sunnyside Solar Farm representing an investment of over \$7 million
- ❑ Successfully negotiated a revenue share agreement for the installation, operation and maintenance of a network of wayfinding, information sharing digital kiosks which is projected to generate \$35M-\$130M over the contract term



Mayor's Office FY2021 Accomplishments

- ❑ Negotiated and implementation of a Community Benefits Agreement and Infrastructure Reimbursement Agreement to attract \$2B for a mixed used development project branded as East River
- ❑ Expanded Virtual Global Engagement and hosted the second Urban20 Sherpa meeting, which brought together nearly 100 global cities and hosted the first ever virtual meeting of the World Energy City Partnership
- ❑ Reimagined the Mayor's signature events such as Freedom Over Texas, Veteran's Day Parade and the Mayor's Holiday Event, all of which were moved to a virtual platform, while transitioning others to drive through events including the Mayor's Back to School Fest, the Thanksgiving Day Parade and Family Day
- ❑ Expanded Anti-Trafficking Division to include Domestic Violence and released an updated Strategic Plan addressing violence and accelerating economic empowerment through 8 Impact Pathways after completing 100% of Phase 1 and 84% of Phase 2 in under 4 years
- ❑ Stood up a mental health helpline with The Alliance for domestic violence abusers and victims promoted with a comprehensive media campaign that fielded 200+ calls and provided 160+ counseling and psychiatric hours in 2 months
- ❑ Developed a hotel ordinance ensuring that Houston's 500+ hotels and motels train employees and management on human trafficking, certify to ARA, post signage, and are subject to fines if employees who report are retaliated against
- ❑ Implemented Virtual Technology upgrades to City hall Annex and Legacy Room
- ❑ Established the Mayor's Task Force on Policing Reform and implemented significant reforms addressing use of force, transparency and accountability
- ❑ Conducted 43 virtual meeting and posted over 2,000 agenda items
- ❑ Held over 200 news conferences and issued over 150 press releases, video messages, editorials and newsletter contributions